

Memorandum on Providing Patient Protections Through Final Regulations on Internal Appeals and Information Disclosure  
November 4, 2000

*Memorandum for the Secretary of Labor*

**Subject:** Providing Patient Protections Through Final Regulations on Internal Appeals and Information Disclosure

In 1997, I appointed you and Secretary of Health and Human Services, Donna E. Shalala, to co-chair the Advisory Commission on Consumer Protection and Quality in the Health Care Industry (the "Quality Commission"). Through the extraordinary efforts of you and Secretary Shalala in bringing together a broad and diverse group of commission members, the Quality Commission identified numerous shortcomings related to consumer protections in the Nation's frequently evolving health-care delivery system.

Among numerous problems within the health-care delivery system, the Quality Commission specifically cited that tens of millions of Americans with private health insurance do not have access to a fair and timely appeals process. More specifically, under the Employee Retirement Income Security Act (ERISA), 130 million Americans with employer-sponsored health plans lack the protection of a meaningful internal appeals process when plans deny benefits for health care. Health plans making benefit decisions often do not have the medical expertise to make such decisions and appeals of these decisions can take as long as 300 days. As a consequence, countless Americans have been harmed by inappropriate delays and denials of benefits.

The Quality Commission recommended that the benefit appeals and information shortcomings, which hurt American patients and their families, be addressed through a Consumer Bill of Rights. Such improvements were an important element of a broader array of patient protections including a right to see a specialist, a right to receive emergency care, and a right to continue ongoing medical treatment without

disruption. Since the release of the Quality Commission's findings, my Administration has been working with a bipartisan group of Members of Congress who are committed to enacting these and other critical protections, such as holding health plans accountable when they take actions that injure patients.

As we have worked to pass a bipartisan, enforceable Patients Bill of Rights, you have held public hearings that confirmed the need for a wide range of protections, with a particular focus on those protections my Administration can extend by executive action: a fair and timely process for internal appeals and meaningful information disclosure to consumers. With my concurrence, you have not implemented these protections because of our mutual belief that it would be far better to establish them in the context of broader protections that would be included should the Patients Bill of Rights be passed by the Congress. Unfortunately, it now appears clear that this Congress will not pass a meaningful and enforceable Patients Bill of Rights this session. With this in mind, I hereby direct as follows:

You shall in the next 2 weeks promulgate final regulations protecting millions of individuals with employer-based health coverage. The regulations shall establish a fair and unbiased process for reviewing medical benefits claims, require timely coverage and appeal decisions, and direct plans to provide meaningful information to patients advising them of their rights to the appeals process.

This memorandum is not intended to create any right or benefit, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, or instrumentalities, or any other person.

WILLIAM J. CLINTON